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GOVERNOR

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LANSING

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Priorities Protected; Governor Granholm Announces Budget Deal

Budget will ensure high quality of life and encourage job growth

LANSING – Governor Jennifer M. Granholm today announced that an agreement has been reached on the fiscal year 2005 budget that will improve the quality of life in Michigan and continue to grow the state's economy.

"We faced some high hurdles due to reduced federal funding and the effects of the national economic slowdown, but through bipartisan cooperation, we forged a budget agreement that will help us bring more jobs to Michigan and enhance our quality of life," said Granholm. "We have once again protected what matters most to Michigan families, while keeping our tax structure competitive."

Despite the challenging economic times, a number of Governor Granholm's top priorities will see an increase in funding for the coming fiscal year as a result of the budget agreement.

Education remains the top priority as Granholm's recommendation to increase the minimum per pupil foundation allowance to \$6,700 per pupil has been agreed to and funding to the top tier 20J school districts, those with per pupil foundation grants greater than \$9,000, is being held at current levels.

A \$15 million increase in funding for the Technology Tri-Corridor represents new investment in job growth and research. Increased support for prevention services will reduce tobacco related illnesses and help control overall medical care costs. Additional funding to reduce the DNA evidence backlog and the continuation of the State Police Recruit School will give law enforcement new resources to fight crime.

In addition, critical health care services to vulnerable citizens, job training and job creation programs, and support for day care services are just a few of the items for which funding will be preserved for 2005.

One item of ongoing discussion between the administration and the Legislature is how Governor Granholm's plan to keep college and university tuition rates below the rate of inflation will be implemented.

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“I remain steadfast in my commitment to keeping tuition affordable to the families of this state,” said Granholm. “We will continue to work with the Legislature and the higher education institutions to ensure that this goal is achieved.”

Governor Granholm is proud of the continued efforts to make state government more efficient and responsive, while protecting the services Michigan families need most.

“While we began this process with yet another \$1 billion shortfall, we balanced the budget with a sensible mix of spending cuts and revenue that will allow the State to continue to provide the essential services that the citizens of this state deserve,” said Granholm.

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